

Date: Thursday, April 30 2020 06:13 PM  
Subject: RE: Deferrals  
From: Paul Sheridan  
To: Dempsey, Jimmy <Jimmy.Dempsey@flyfrontier.com >;  
CC: Fanning, Robert <robert.fanning@flyfrontier.com >; Thwaytes, Spencer  
<Spencer.Thwaytes@flyfrontier.com >; Jane O'Callaghan <jane.ocallaghan@amck.aero >;

Dear Jimmy,

As a follow up to our discussions on the upcoming deliveries, we appreciate the efforts that have been made in restructuring the deliveries with Airbus. Given the extent of the damage that has been done to the airline industry and to airline and lessor funding sources, we need to have some additional security to ensure that we can obtain our shareholder funding for the deliveries. These conditions will be:

- Deliveries in July 2020 (3 aircraft) and February 2021 (2 aircraft)
- All payments to be current on May 15 2020 and to remain current
- Lease extensions of four years on the 12 A320neos funded in 2017, 2018 and 2019 at rents to be agreed plus a removal of the ETOs on the six aircraft from the latest deal. These extensions will only apply if there are any payment-related defaults out to 15 May 2021

I recognise that the last condition is unusual and may look onerous but we would anticipate that it won't be triggered in reality. As I explained on the phone, the intention is to keep us on a higher priority for payments if the pandemic related slowdown continues well into this year and early next year. Furthermore, the scenario whereby you are able to maintain all payments to us and emerge from the crisis as one of the strongest airlines in the US is a very good one for us. However, so much of this crisis is outside of any of our control that it is important for us to have the additional protections outlined above.

Thanks and regards,

Paul

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**From:** Dempsey, Jimmy <Jimmy.Dempsey@flyfrontier.com >  
**Sent:** 27 April 2020 18:01  
**To:** Paul Sheridan <paul.sheridan@amck.aero >  
**Cc:** Fanning, Robert <robert.fanning@flyfrontier.com >; Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com >; Jane O'Callaghan <jane.ocallaghan@amck.aero >  
**Subject:** RE: Deferrals

Hi Paul

I have just been briefed by Robert and I was working on the assumption that we had to be current on all rent for you to finance the upcoming deliveries. This is set out in your email below. I put a scheme in place with Airbus that would facilitate short-term deferrals of the aircraft on the basis that you would honor your agreement. Please confirm this is the case as we have a lease signed for these aircraft and are willing to ensure the deferred rent is paid as a CP of delivery.

I am available throughout the day to discuss and need confirmation without delay.

Regards  
Jimmy

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**From:** Paul Sheridan <paul.sheridan@amck.aero >

**Sent:** Monday, April 13, 2020 11:08 AM

**To:** Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)>

**Cc:** Fanning, Robert <[robert.fanning@flyfrontier.com](mailto:robert.fanning@flyfrontier.com)>; Thwaytes, Spencer <[Spencer.Thwaytes@flyfrontier.com](mailto:Spencer.Thwaytes@flyfrontier.com)>; Jane O'Callaghan <[jane.ocallaghan@amck.aero](mailto:jane.ocallaghan@amck.aero)>

**Subject:** Re: Deferrals

Hi Jimmy,

Apologies for the slow response but I was waiting for some feedback from the shareholders. Essentially we want to tie the deliveries to having no outstanding deferrals so it would only work if we recast the deferral agreement. The six month period was set to allow for repayments of the deferred rent as well as to be over the deferral period. I appreciate your discussions with Airbus are difficult but we are trying to manage our own cash flows here also.

Regards,

Paul

On 13 Apr 2020, at 14:31, Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)> wrote:

Hi Paul

I have been in discussions with Airbus and sent you a text on Saturday about it. Airbus are willing to move the aircraft by approximately 2 months in the short term. The first aircraft will deliver sometime in June, the next two in July.

I am keen to wrap this up. I understand that you were looking for a 6 month delay however that is impractical given the advanced nature of the aircraft production. Please confirm you can support the revised schedule.

Many thanks  
Jimmy

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**From:** Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)>

**Sent:** Monday, April 6, 2020 2:37:43 PM

**To:** Paul Sheridan <[paul.sheridan@amck.aero](mailto:paul.sheridan@amck.aero)>

**Cc:** Fanning, Robert <[robert.fanning@flyfrontier.com](mailto:robert.fanning@flyfrontier.com)>; Thwaytes, Spencer <[Spencer.Thwaytes@flyfrontier.com](mailto:Spencer.Thwaytes@flyfrontier.com)>; Jane O'Callaghan <[jane.ocallaghan@amck.aero](mailto:jane.ocallaghan@amck.aero)>

**Subject:** Re: Deferrals

Hi Paul

I appreciate this. As you know this will continue to be a challenge with Airbus and I would hope that you reconsider your position on financing.

Let's catch up tomorrow.

Regards  
Jimmy

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**From:** Paul Sheridan <[paul.sheridan@amck.aero](mailto:paul.sheridan@amck.aero)>

**Sent:** Monday, April 6, 2020 1:58:56 PM

**To:** Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)>

**Cc:** Fanning, Robert <[robert.fanning@flyfrontier.com](mailto:robert.fanning@flyfrontier.com)>; Thwaytes, Spencer <[Spencer.Thwaytes@flyfrontier.com](mailto:Spencer.Thwaytes@flyfrontier.com)>; Jane O'Callaghan <[jane.ocallaghan@amck.aero](mailto:jane.ocallaghan@amck.aero)>

**Subject:** Re: Deferrals

Hi Jimmy,

We just got off the phone with Robert and so I would like to confirm what we discussed. Mindful of the time it might take you to reach agreement with Airbus or to make some other arrangements and therefore of the ability for us to reach a deferral agreement, we can confirm that we won't take any actions or call any defaults linked to non payment of rents on any aircraft where the rent is due from today to 21 April (ie, for the next 10 working days).

Thanks,

Paul

On 6 Apr 2020, at 19:05, Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)> wrote:

Hi Paul

Are you available for a call ASAP? Airbus has closed Mobile until April 29th. I am keen to get the deferral in place and am conscious that we have 2X rent payments today that we really need to defer.

Jimmy

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**From:** Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)>  
**Sent:** Monday, April 6, 2020 7:55:16 AM  
**To:** Paul Sheridan <[paul.sheridan@amck.aero](mailto:paul.sheridan@amck.aero)>  
**Cc:** Fanning, Robert <[robert.fanning@flyfrontier.com](mailto:robert.fanning@flyfrontier.com)>; Thwaytes, Spencer <[Spencer.Thwaytes@flyfrontier.com](mailto:Spencer.Thwaytes@flyfrontier.com)>; Jane O'Callaghan <[jane.ocallaghan@amck.aero](mailto:jane.ocallaghan@amck.aero)>  
**Subject:** Re: Deferrals

Hi Paul

This is very disappointing news. My reading of your email assumes that you will only agree the rent deferral if we defer aircraft deliveries with Airbus? As a result, I can only deduce that you will finance the aircraft deliveries and honour your commitment to Frontier if we do not put a rent deferral in place.  
This is a very disappointing outcome.

As a backdrop, I have spoken to Airbus about your request and their immediate reaction has been to threaten Frontier with default. This is also not a very palatable event for you or us.

Please do reconsider your position.

Jimmy

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**From:** Paul Sheridan <[paul.sheridan@amck.aero](mailto:paul.sheridan@amck.aero)>  
**Sent:** Friday, April 3, 2020 9:23:37 AM  
**To:** Dempsey, Jimmy <[Jimmy.Dempsey@flyfrontier.com](mailto:Jimmy.Dempsey@flyfrontier.com)>  
**Cc:** Fanning, Robert <[robert.fanning@flyfrontier.com](mailto:robert.fanning@flyfrontier.com)>; Thwaytes, Spencer <[Spencer.Thwaytes@flyfrontier.com](mailto:Spencer.Thwaytes@flyfrontier.com)>; Jane O'Callaghan <[jane.ocallaghan@amck.aero](mailto:jane.ocallaghan@amck.aero)>  
**Subject:** Deferrals

Dear Jimmy,

We have discussed the upcoming 5 A320neo deliveries further with our shareholder overnight.

Unfortunately their position has not changed. We have been authorised to grant you the 3 months' rent deferral requested, on 14 of the 15 aircraft leased by AMCK (excluding the A320neo delivered on 16<sup>th</sup> March), with repayment over the subsequent 4 months (at 6% interest), but strictly on the basis that we suspend the SLB for six months, by when we hope the market to return to more normal conditions.

As mentioned yesterday we are hearing on a daily basis that many airlines and lessors have agreed deferrals (and in some cases cancellations) and indeed Airbus has just today alluded to cutting its production in order to avoid a glut of undelivered aircraft.

We feel that a deferral of our SLB commitment till Frontier is the prudent course of action and hope that we can work with you on this basis to implement the much needed rent deferrals. While we are one step removed from the front line of the crisis, we have to manage both our cash position and our bank facilities and associated covenants and these tie our hands in what we can do in total.

Kind regards,

Paul

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